DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

September 29, 2009

Control No: SBSE-05-0909-040
Expiration: September 29, 2010
Impacted IRM: 5.1.1; 5.1.10;
5.1.15; 5.16.1; & 1.4.50

MEMORANDUM FOR DIRECTOR, COLLECTION AREA OPERATIONS
DIRECTOR, ADVISORY, INSOLVENCY AND QUALITY

FROM: Frederick W. Schindler /s/ Laura Hostelley *(for)*
                  Director, Collection Policy

SUBJECT: Issuing Case Closing Letters in Collection Field Function

The purpose of this memorandum is to provide revised interim guidance on issuing case closing letters in Collection Field function (CFf).

As indicated in Interim Guidance Memorandum dated March 11, 2009, an analysis of the quarterly Field Collection Customer Satisfaction Surveys reveals that one of the greatest opportunities for improving customer satisfaction is notifying taxpayers of the closure of their active Collection investigation.

In FY 2007, CFf tested in five geographically diverse locations the issuance of case closing letters to taxpayers meeting specific conditions (Status 12 and Currently Not Collectible (CNC) hardship closures). The subsequent customer satisfaction information gathered from the test groups reflected significantly higher satisfaction ratings. Due to the test group results, as well as other input received from the field, we are now implementing the case closing letter process throughout the CFf.

We are establishing an implementation date for this process of October 31, 2009. Starting on this date, case closing letters will be issued to the taxpayer(s) and/or authorized representative when a case is closed as either Status 12 (full pay, adjustment, credit transfers) or CNC-Hardship. Case Closing Letters will only be used when the Collection investigation on the taxpayer entity is concluded. Letter 4222, Notice of Case Resolution has been developed for use in Status 12 closures, while Letter 4223, Case Closed- Currently Not Collectible is to be used for CNC-Hardship closures.

Attached to this memorandum are the procedures for implementing this process. Areas are free to develop additional procedures (if necessary) in conjunction with these instructions which use the ICS template. This material supersedes Interim Guidance Memorandum SBSE-05-0309-003 dated March 11, 2009.

Collection Policy continues to work on determining the best option to permanently implement the case closing letters in a manner that is transparent to our employees.

If you have any questions or need additional information, please feel free to contact me or Ken Marek, Program Manager, Collection Procedures & Administration, or a member of your staff may contact Gary Eisner, Policy Analyst.

Attachment

www.irs.gov

Case Closing Letter Procedures

- Case closing letters will be issued through ICS templates on all CNC - Hardship closures and Status 12 closures (full pay, adjustments, credit transfers, etc.). If necessary, these letters are also available and fillable using Adobe Acrobat software on the Electronic Publishing web site at: **http://www.publish.no.irs.gov/** .
- Revenue officers will continue to follow current procedures to close Status 12 and CNC – Hardship cases on ICS.
- Group managers will verify and/or approve case closure (where necessary), according to current national and local procedures and practices.
- General guidance on the ICS Template process for generating letters 4222 and/or 4223 are as follows:
  - BEFORE the case and modules are closed on ICS
    - Highlight the appropriate letter (4222 or 4223).
    - Select the "Next" button in the Template process.
    - Module information is selected from the module list and autopopulated on the letter.
    - A systemic history is written to the case (Note: If the case closing action requires managerial approval and the action is not approved, a manual history entry must be made indicating the letter was not mailed).
  - AFTER the case and modules are closed on ICS
    - Select "Enter Data Grid" button in the Template process. (If the "next" button is selected, a message "There are no modules available" will be displayed).
    - Module information must be manually entered in the template grid.
    - History entry must be manually entered.
  - Copies for the POA
    - If the POA should receive a copy of the letter, answer "Yes" to the question, "Do you want to generate a POA letter?" and enter the appropriate POA information when the template grid is displayed. Letter 937 and another copy of letter(s) 4222 or 4223 will be generated for mailing to the POA.
  - Printing
    - The letters can be printed or e-mailed to the group secretary, designated clerical contact or other designated personnel through the print process.
- The group secretary, designated clerical contact, or other designated personnel will mail on a weekly basis printed Letter 4222, Notice of Case Resolution or Letter 4223, Case Closed - Currently Not Collectible.
- A printed letter should be sent to each taxpayer of record and/or POA and the address(es) of record.
- **There is no requirement to track or monitor the case closing letters after they are mailed by the office. There is no requirement to hold a case until the closing action posts to IDRS and the account goes to Status 12.**